



Guidelines for Teaching Physicians, Interns, and Residents



This publication provides teaching physicians, interns, and residents information about the following topics:

- Payment for physician services in teaching settings;
- General documentation guidelines; and
- Evaluation and management documentation (E/M) guidelines.



Payment for Physician Services in Teaching Settings

Services furnished in teaching settings are paid under the Medicare Physician Fee Schedule (MPFS) if the services are:



- Personally furnished by a physician who is not a resident;
- Furnished by a resident when a teaching physician is physically present during the critical or key portions of the service; or
- Furnished by residents under a primary care exception within an approved Graduate Medical Education (GME) Program.

Services Furnished by an Intern or Resident Within the Scope of an Approved Training Program

Medical and surgical services furnished by an intern or resident within the scope of his or her training program are covered as provider services and paid by Medicare through direct GME and Indirect Medical Education (IME) payments, and the services of the intern or resident may not be billed or paid for using the MPFS. If a resident in an approved program is training in a nonprovider setting, the services provided by that resident are payable in one of two ways:

- 1) Through direct GME and IME payments to the hospital if, among other things, the resident is providing patient care activities and the hospital incurs all or substantially all the costs of training in the nonprovider setting; or
- 2) Through the MPFS if, in part, the regulations concerning the receipt of direct GME and IME payments by the hospital for the time spent by a resident in a nonprovider setting are not met and the time spent by the resident in the nonprovider setting is not counted by the hospital for direct GME and IME payment purposes.

Services Furnished by an Intern or Resident Outside the Scope of an Approved Training Program (Moonlighting)

Medical and surgical services furnished by an intern or resident that are not related to his or her training program and are furnished outside the facility where he or she has the training program are covered as physician services when the requirements in the first two bullets listed below are met.

Medical and surgical services furnished by an intern or resident that are not related to his or her training program and are furnished in an outpatient department or emergency room of the hospital where he or she is in a training program are covered as physician services when the

requirements in all three bullets listed below are met. When these criteria are met, the services are considered to have been furnished by the individuals in their capacity as a physician, not in their capacity as an intern or resident.

- The services are identifiable physician services, the nature of which require performance by a physician in person and contribute to the diagnosis or treatment of the patient's condition.
- The intern or resident is fully licensed to practice medicine, osteopathy, dentistry, or podiatry by the state in which the services are performed.
- The services furnished can be separately identified from those services that are required as part of the training program.

General Documentation Guidelines

Both residents and teaching physicians may document physician services in the patient's medical record. The documentation must be dated and contain a legible signature or identity and may be:

- Dictated and transcribed;
- Typed;
- Hand-written; or
- Computer-generated.



A macro is a command in a computer or dictation application in an electronic medical record that automatically generates predetermined text that is not edited by the user. The teaching physician may use a macro as the required personal documentation if he or she personally adds it in a secured or password protected system. In addition to the teaching physician's macro, either the resident or the teaching physician must provide customized information that is sufficient to support a medical necessity determination. The note in the electronic medical record must sufficiently describe the specific services furnished to the specific patient on the specific date. If both the resident and the teaching physician use macros only, this is considered insufficient documentation.

Evaluation and Management Documentation Guidelines

For a given encounter, the selection of the appropriate level of E/M services is determined according to the code of definitions in the American Medical Association's *Current Procedural Terminology (CPT)* book and any applicable documentation guidelines.

When teaching physicians bill E/M services, they must personally document at least the following:

- That they performed the service or were physically present during the critical or key portions of the service furnished by the resident; and

- His or her participation in the management of the patient.

On medical review, the combined entries into the medical record by the teaching physician and resident constitute the documentation for the service and together must support the medical necessity of the service. Documentation by the resident of the presence and participation of the teaching physician is not sufficient to establish the presence and participation of the teaching physician.

Evaluation and Management Documentation Provided by Students

Any contribution and participation of a student to the performance of a billable service must be performed in the physical presence of a teaching physician or resident in a service that meets teaching physician billing requirements (other than the review of systems [ROS] and/or past, family, and/or social history [PFSH], which are taken as part of an E/M service and are not separately billable). Students may document services in the medical record; however, the teaching physician may only refer to the student's documentation of an E/M service that is related to the ROS and/or PFSH. The teaching physician may not refer to a student's documentation of physical examination findings or medical decision making in his or her personal note. If the student documents E/M services, the teaching physician must verify and redocument the history of present illness and perform and redocument the physical examination and medical decision making activities of the service.

Exception for Evaluation and Management Services Furnished in Certain Primary Care Centers

Medicare may grant a primary care exception within an approved GME Program in which the teaching physician is paid for certain E/M services the resident performs when the teaching physician is not present. The primary care exception applies to the following lower and mid-level E/M services:

New Patient	Established Patient
CPT Code 99201®	CPT Code 99211
CPT Code 99202	CPT Code 99212
CPT Code 99203	CPT Code 99213

Effective January 1, 2005, the following code is included under the primary exception:

- Healthcare Common Procedure Coding System code G3044: Initial Preventive Physical Examination: face-to-face visit, services limited to new beneficiary during the first six months of Medicare enrollment.

Current Procedural Terminology © 2007 American Medical Association. All rights reserved.

A primary care center must attest in writing that all of the following conditions are met for a particular residency program for the exception to apply:

- The services must be furnished in a primary care center located in the outpatient department of a hospital or another ambulatory care entity in which the time spent by residents in patient care activities is included in determining direct GME payments to a teaching hospital. This requirement is not met when the resident is assigned to a physician's office away from the primary care center or makes home visits. The nonhospital entity should verify with the Fiscal Intermediary or A/B Medicare Administrative Contractor that it meets the requirements of a written agreement between the hospital and the entity.
- Residents who furnish billable patient care without the physical presence of a teaching physician must have completed more than six months of an approved residency program.
- Teaching physicians who submit claims under the exception must not supervise more than four residents at any given time and must direct the care from such proximity as to constitute immediate availability. The teaching physician must:
 - Have no other responsibilities, including the supervision of other personnel, at the time the service was furnished by the resident.
 - Have primary medical responsibility for patients cared for by residents.
 - Ensure that the care furnished is reasonable and necessary.
 - Review the care furnished by residents during or immediately after each visit. This must include a review of the patient's medical history and diagnosis, the resident's findings on physical examination, and treatment plan (e.g., record of tests and therapies).
 - Document the extent of his or her participation in the review and direction of the services furnished to each patient.
- Patients should consider the primary care center to be their primary location for health care services. Residents must be expected to generally furnish care to the same group of established patients during their residency training. The types of services furnished by residents under the exception include the following:
 - Acute care for undifferentiated problems or chronic care for ongoing conditions including chronic mental illness.
 - Coordination of care furnished by other physicians and providers.

- Comprehensive care not limited by organ system or diagnosis.

Residency programs most likely to qualify for the exception are:

- Family practice;
- General internal medicine;
- Geriatric medicine;
- Pediatrics; and
- Obstetrics/gynecology.



Certain GME Programs in psychiatry may qualify in special situations, such as when the program furnishes comprehensive care for chronically mentally ill patients. The range of services residents are trained to furnish, and

actually furnish, at these primary care centers include comprehensive medical as well as psychiatric care.

To find additional information about teaching physician services, see Chapter 12, Section 100, of the *Medicare Claims Processing Manual* (Pub. 100-4) at <http://www.cms.hhs.gov/Manuals> on the Centers for Medicare & Medicaid Services (CMS) website. To find additional information about direct GME, visit http://www.cms.hhs.gov/AcuteInpatientPPS/06_dgme.asp on the CMS website. To find additional information about documentation guidelines for E/M services, visit http://www.cms.hhs.gov/MLNEdWebGuide/25_EMDOC.asp on the CMS website.

GLOSSARY

Critical or Key Portion
The part or parts of a service that the teaching physician determines are a critical or key portion.

Direct Medical and Surgical Services
Services to individual beneficiaries that are personally furnished by a physician or a resident under supervision of a teaching physician.

Intern or Resident
An individual who participates in an approved Graduate Medical Education (GME) Program or a physician who is not in an approved GME Program but who is authorized to practice only in a hospital setting (e.g., has a temporary or restricted license or is an unlicensed graduate of a foreign medical school). Also included in this definition are interns, residents, and fellows in GME Programs recognized as approved for purposes of direct GME and IME payments made by Fiscal Intermediaries or A/B Medicare Administrative Contractors. Receiving a staff or faculty appointment, participating in a fellowship, or whether a hospital includes the physician in its full-time equivalency count of residents does not by itself alter the status of “resident.”

Medicare Physician Fee Schedule
The basis for which Medicare Part B pays for physician services. Lists the more

than 7,000 covered services and their payment rates.

Physically Present
When the teaching physician is located in the same room as the patient (or a room that is subdivided with partitioned or curtained areas to accommodate multiple patients) and/or performs a face-to-face service.

Primary Care Center
An area located in the outpatient department of a hospital or another ambulatory care entity in which the time spent by residents in patient care activities is included in determining direct Graduate Medical Education payments to a teaching hospital.

Primary Care Exception
An exception within an approved Graduate Medical Education Program that applies to limited situations where the resident is the primary caregiver and the faculty physician sees the patient only in a consultative role (i.e., those residency programs with requirements that are incompatible with a physical presence requirement). In such programs, it is beneficial for the resident to see patients without supervision in order to learn medical decision making.

Student
An individual who participates in an accredited educational program

(e.g., medical school) that is not an approved Graduate Medical Education Program and is not considered an intern or resident. Medicare does not pay for any services furnished by a student.

Teaching Hospital
A hospital in an approved Graduate Medical Education Residency Program in medicine, osteopathy, dentistry, or podiatry.

Teaching Physician
A physician, other than an intern or resident, who involves residents in the care of his or her patients. Generally, the teaching physician must be present during all critical or key portions of the procedure and immediately available to furnish services during the entire service in order for the service to be payable under the Medical Physician Fee Schedule.

Teaching Setting
Any provider, hospital-based provider, or nonprovider setting in which Medicare payment for the services of residents is made by the Fiscal Intermediary or A/B Medicare Administrative Contractor under the direct Graduate Medical Education payment methodology or on a reasonable cost basis to freestanding Skilled Nursing Facilities or Home Health Agencies.

This booklet was prepared as a service to the public and is not intended to grant rights or impose obligations. This booklet may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

Medicare Learning Network

The Medicare Learning Network (MLN) is the brand name for official CMS educational products and information for Medicare fee-for-service providers. For additional information visit the Medicare Learning Network's web page at <http://www.cms.hhs.gov/MLNGenInfo> on the CMS website.

Medicare Contracting Reform (MCR) Update

In Section 911 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) Congress mandated that the Secretary of the Department of Health and Human Services replace the current contracting authority under Title XVIII of the Social Security Act with the new Medicare Administrative Contractor (MAC) authority. This mandate is referred to as Medicare Contracting Reform. Medicare Contracting Reform is intended to improve Medicare's administrative services to beneficiaries and health care providers. All Medicare work performed by Fiscal Intermediaries and Carriers will be replaced by the new A/B MACs by 2011. Providers may access the most current MCR information to determine the impact of these changes and to view the list of current MACs for each jurisdiction at <http://www.cms.hhs.gov/MedicareContractingReform/> on the CMS website.

CPT Disclaimer—American Medical Association (AMA) Notice and Disclaimer

Current Procedural Terminology (CPT) is copyright 2007 American Medical Association. All rights reserved. CPT is a registered trademark of the American Medical Association (AMA). Applicable FARS/DFARS restrictions apply to Government Use. Fee schedules, relative value units, conversion factors, and/or related components are not assigned by the AMA, are not part of CPT, and the AMA is not recommending their use. The AMA does not directly or indirectly practice medicine or dispense medical services. The AMA assumes no liability for data contained or not contained herein.

July 2008 ICN: 006347